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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

TO: VBit Technologies Corp.
VBit Mining LLC
VBit DC Corp.
Advanced Mining Group

1625 Washington Avenue
Philadelphia, Pennsylvania 19146

www.vbittech.com
www.vbitmining.com
www.advancedmining.com

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

1. At all relevant times, VBit Technologies Corp. (VBit Technologies) was a Delaware corporation with its principal place of business located at 1625 Washington Avenue, Philadelphia, Pennsylvania 19146. VBit Technologies operated the now-defunct website www.vbittech.com.
2. At all relevant times, VBit Mining LLC (VBit Mining) was a Delaware limited liability company with its principal place of business located at 1625 Washington Avenue, Philadelphia, Pennsylvania 19146. VBit Mining operated the now-defunct website www.vbitmining.com and is a direct subsidiary of VBit Technologies.
3. At all relevant times, VBit DC Corp. (VBit DC) was a Delaware corporation with its principal place of business located at 1625 Washington Avenue, Philadelphia, Pennsylvania 19146. VBit DC is a direct subsidiary of VBit Technologies.
4. At all relevant times, Advanced Mining Group (Advanced Mining) maintained an address located at 1625 Washington Avenue, Philadelphia, Pennsylvania 19146 and operated the

1 now-defunct website www.advancedmining.com. On or around February 2022, Advanced Mining
2 acquired VBit Technologies and operated as the alter ego or instrumentality of VBit Technologies,
3 VBit Mining, and VBit DC.

4 5. At all relevant times, Don Vo was the Chief Executive Officer of VBit Technology,
5 VBit Mining, and VBit DC.

6 6. At all relevant times, Sean Tu was the Chief Technology Officer of VBit
7 Technologies, VBit Mining, VBit DC, and Advanced Mining.

8 7. Beginning in or around March 2021, VBit Technologies, VBit Mining, VBit DC, and
9 Advanced Mining (collectively VBit) offered and sold Bitcoin mining packages to at least 1,016
10 California residents. VBit’s mining packages consisted of specialized Bitcoin mining hardware and
11 “hosting” services, which enabled customers with little or no technical expertise in Bitcoin mining to
12 rely on VBit’s mining specialists. VBit advertised on its website, “[w]e set up YOUR equipment
13 provide secure and cost-effective space, power, and maintenance.” VBit represented that their
14 hosting services created “large-scale operations accessible for everyone to utilize. This means lower
15 operational costs and better hardware uptime so [customers] can focus on the important things and
16 potentially earn better ROI.”

17 8. VBit represented to the public that their hardware and hosting service agreements
18 provided investors a passive role that generated a “reliable Bitcoin stream.” VBit advertised on its
19 website that investors’ profits are held and stored in a virtual wallet called a “QABU Wallet.” VBit
20 purportedly distributed all mined Bitcoins directly to each investor’s QABU Wallet and told
21 investors they have access to their Bitcoins for withdrawal at any time.

22 9. Whether VBit investors received profits depends entirely on the success of VBit as a
23 business and its managerial and entrepreneurial efforts to install, maintain, and operate the
24 customers’ Bitcoin hardware at VBit’s data facilities.

25 10. Beginning in or around March 2021 and continuing until at least November 2021,
26 VBit offered and sold securities to California residents in the form of an investment contract called
27 “Purchase and Hosting Agreements.” VBit offered and sold different investment contracts under the
28 guise of Bitcoin mining packages ranging from “Silver” on the low end to “Black Diamond” on the

1 high end. VBit collected investments ranging from \$50,000 to \$150,000 from California investors.
2 In return, investors received a membership identification number and access to create an account on
3 VBit’s website. After creating a VBit account, an investor had access to his QABU wallet.

4 11. Through in-person meetings and an investor recruitment network, VBit offered and
5 sold securities to investors and potential investors. VBit used a multi-level marketing scheme, where
6 current investors of the Bitcoin mining packages acted as salespersons and earned commissions
7 recruiting new investors. Investors and potential investors had minimal experience with Bitcoin
8 mining and were lured to the ease of using VBit’s mining packages and the potential for substantial
9 passive returns.

10 12. On or around June 2022, VBit informed its investors that it could no longer operate in
11 the United States. VBit stated in an email that it “stopped all sales and withdrawals because of a
12 potential pending settlement with the US SEC.” Investors have been frozen out of their accounts
13 and unable to withdraw their funds. Investors contacted VBit multiple times for assistance, but VBit
14 has failed to provide investors access to their online accounts.

15 13. The Commissioner has jurisdiction over the offer and sale of securities in California
16 under the Corporate Securities Law of 1968. CAL. CORP. CODE §§ 25000-25707 (CSL).

17 14. These securities were offered and sold in this State in issuer transactions. The
18 Commissioner has not issued a permit or other form of qualification authorizing any person to offer
19 or sell these securities in this State.

20 15. In connection with the offer and sale of these securities, VBit made, or caused to be
21 made, misrepresentations of material fact to investors and potential investors, namely that investors
22 had “hassle-free” access to their mined Bitcoins and VBit accounts online.

23 16. Since July 2022, California investors have been locked out of their accounts and
24 unable to withdraw their funds or access their QABU wallets.

25 Based on the foregoing findings, the Commissioner is of the opinion that the securities
26 offered and sold in the form of investment contracts by VBit Technologies Corp., VBit Mining LLC,
27 VBit DC Corp., and Advanced Mining Group are subject to qualification under the CSL and have
28 been or are being offered or sold without first being qualified in violation of Corporations Code

1 section 25110. Pursuant to Corporations Code section 25532, VBit Technologies Corp., VBit Mining
2 LLC, VBit DC Corp., and Advanced Mining Group are hereby ordered to desist and refrain from the
3 further offer and sale of securities in the State of California, including but not limited to investment
4 contracts, unless and until qualification has been made under the law, or unless exempt.

5 In addition, the Commissioner is of the opinion that VBit Technologies Corp., VBit Mining
6 LLC, VBit DC Corp., and Advanced Mining Group offered or sold securities in this State by means
7 of written or oral communications that included an untrue statement of material fact or which
8 omitted to state a material fact necessary to make the statements made, in light of the circumstances
9 under which they were made, not misleading, in violation of Corporations Code section 25401.
10 Pursuant to Corporations Code section 25532, VBit Technologies Corp., VBit Mining LLC, VBit
11 DC Corp., and Advanced Mining Group are hereby ordered to desist and refrain from offering or
12 selling any security in the State of California, including but not limited to investment contracts, by
13 means of any written or oral communication which includes an untrue statement of a material fact or
14 which omits to state a material fact necessary to make the statements made, in light of the
15 circumstances under which they were made, not misleading.

16 This Order is necessary, in the public interest, for the protection of consumers, and consistent
17 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This Order shall
18 remain in full force and effective until further order of the Commissioner.

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Dated: January 31, 2024

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division